

AMENDED IN ASSEMBLY APRIL 20, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1531**

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**Introduced by Committee on Environmental Safety and Toxic  
Materials (Assembly Members Alejo (Chair), Gonzalez, McCarty,  
and Ting)**

March 23, 2015

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An act to amend Sections 6103.4 and 53082.5 of the Government Code, to amend Sections 116270, 116275, 116380, 116551, 116552, 116655, 116735, 116751, 116760.20, 116761.65, and 117125 of, to add Sections 116365.03, 116701, and 116760.38 to, to repeal and add Section 116761.70 of, and to repeal Sections 116293, 116365.5, and 116379 of, the Health and Safety Code, and to amend Sections ~~10735.4,~~ ~~10735.6,~~ 13176, 13177, 13177.5, 13177.6, 13178, 13181, 13275, 13285, 13304.1, 13392, 13392.5, 13393.5, 13400, 13426, 13476, *13477.6*, 13480, and 79702 of, and to repeal Section 13331.2 of, the Water Code, relating to water, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1531, as amended, Committee on Environmental Safety and Toxic Materials. State Water Resources Control Board.

(1) Existing law, the California Safe Drinking Water Act (state act), requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. The state board's duties include, but are not limited to, conducting research, studies, and demonstration programs relating to the provision of a dependable, safe supply of drinking water, enforcing the federal Safe Drinking Water Act (federal act), and adopting and enforcing regulations. Existing law requires the state board to appoint

a deputy director to oversee the issuance and enforcement of public water system permits and delegates certain authorities of the state board to the deputy director.

This bill would authorize the state board to adopt, as emergency regulations, any regulation necessary to ensure consistency with the requirements for state primacy enforcement responsibility under the federal act. The bill would require that these emergency regulations not be subject to review by the Office of Administrative Law and remain in effect until revised by the state board.

The state act prohibits the state board from issuing a permit to a public water system or amending a valid existing permit to allow the use of point-of-use treatment unless the state board determines that there is no community opposition to the installation of the treatment device. The act also limits the issuance of this permit to no more than 3 years or until funding for centralized treatment is available, whichever occurs first.

This bill would also prohibit the use of point-of-entry treatment absent that state board determination, and would delete the limits on the duration of these permits. Additionally, the bill would authorize the state board to adopt regulations, similar to those previously authorized for adoption by the State Department of Public Health, governing the use of point-of-entry and point-of-use treatment by a public water system with less than 200 service connections in lieu of centralized treatment where it can be demonstrated that centralized treatment is not immediately economically feasible.

The state act authorizes the deputy director to issue an order directing certain actions whenever the deputy director determines that a person has violated or is violating the act, or any permit, regulation, or standard issued or adopted pursuant to the act. The act authorizes an aggrieved party 30 days after service of a copy of the order or decision to file with the superior court a petition for a writ of mandate for review of the order or decision.

The bill would authorize, ~~as an alternative to filing with the superior court a petition for a writ of mandate and within 30 days of issuance of an a certain~~ order or decision issued by the deputy director, an aggrieved person to petition the state board for reconsideration and would authorize the state board to refuse to reconsider the order or decision, to deny the petition, or to set aside or modify the order or decision, as specified. *The bill would provide that the filing of a petition for reconsideration*

*is an administrative remedy that must be exhausted before filing a petition for writ of mandate.*

The state act authorizes the state board to take certain actions relating to the inspection of public water systems, including inspecting and copying any records, reports, test results, or other information required to carry out the provisions of the act. Existing law makes it a crime for any person to knowingly commit certain acts, including making a false statement or representation in any application, record, report, or other document submitted, maintained, or used for the purposes of compliance with the act or withholding information requested by the state board regarding imminent and substantial danger to the public health or safety, as specified.

This bill would require the owner of a public water system to provide to the state board reports, test results, and other information required to carry out the act within 5 business days of a request from a duly authorized representative of the state board. To the extent that a person knowingly makes a false statement or representation on the information requested by the duly authorized representative, this bill would expand the scope of a crime and thereby impose a state-mandated local program.

This bill would declare the intent of the Legislature that the state act be construed to ensure consistency with the requirements for states to obtain and maintain primary enforcement responsibility for public water systems under the federal act.

(2) Existing law generally grants various powers to cities, counties, and certain special districts, including the power to issue bonds and incur indebtedness for certain purposes and subject to certain restrictions. Existing law authorizes counties, cities, and special districts that provide or intend to provide ~~water~~ *wastewater* treatment facilities or services, subject to applicable constitutional restrictions, to borrow money and incur indebtedness for purposes of the State Water Pollution Control Revolving Fund.

Existing law, the Safe Drinking Water State Revolving Fund Law of 1997, continuously appropriates state and federal funds in the Safe Drinking Water State Revolving Fund to the State Water Resources Control Board for grants or revolving fund loans for the design and construction of projects for public water systems that will enable those systems to meet safe drinking water standards. The revolving fund law defines “public agency,” for purposes of the act, to mean a city, county, city and county, joint powers authority, or other political subdivision of the state, that owns or operates a public water system.

This bill would expand the definition of “public agency” to include a municipality, as defined in the federal act. The bill would extend the authorization to borrow money and incur indebtedness to cities, counties, and special districts *that provide or intend to provide water treatment facilities or services and* for purposes of the Safe Drinking Water State Revolving Fund *or the California Safe Drinking Water Act*.

The revolving fund law requires the state board to annually establish the interest rate for repayable financing made pursuant to these provisions, as specified. The revolving fund law authorizes the State Water Resources Control Board to undertake certain actions to implement the revolving fund law, including engaging in the transfer of capitalization grant funds, as specified. Existing law prohibits more than 4% of the capitalization grant from being used by the state board for administering the revolving fund law and authorizes the state board to establish a reasonable schedule for administrative fees to be paid by the grant applicant to reimburse the state for the costs of the administration of these provisions.

The bill would delete the requirement that the state board establish the interest rate annually and would instead authorize the state board to adjust the interest rate periodically. The bill would delete the prohibition against using more than 4% of the capitalization grant for administering the Safe Drinking Water Revolving Fund Law and would delete the authorization permitting the state board to establish a reasonable schedule for administrative fees. The bill would instead create the Safe Drinking Water State Revolving Fund Administrative Fund and would require moneys transferred to pay for the costs incurred by the state board for administering the act, moneys collected for financial assistance services, and interest earned upon these moneys to be deposited into the fund. The bill would authorize, where financial assistance is made and is to be repaid to the state board, the state board to assess an annual charge for financial assistance services, not to exceed 1% of the financial assistance balance. The bill would make moneys in the administration fund available to the state board, upon appropriation by the Legislation, for payment of reasonable costs of administering the fund. The bill would require the state board to set the total amount of revenue that is collected each year though the annual charge for financial assistance services at an amount that is equal as practicable to the appropriation amount set forth in the annual Budget Act. The bill would require, at least once each fiscal year, the state board to adjust

the financial assistance service charge to conform with the annual Budget Act.

(3) Existing law generally prohibits the state, or a county, city, district, or other political subdivision, or any public officer or body acting in its official capacity on behalf of any of those entities, from being required to pay any fee for the performance of an official service. Existing law exempts from this provision any fee or charge for official services required pursuant to specified provisions of law relating to water use or water quality, including the fees charged to public water systems under the California Safe Drinking Water Act.

This bill would specifically exempt other provisions relating to water use and water quality, including the Safe Drinking Water State Revolving Fund Law of 1997 and provisions relating to cross-connections of water users, water treatment devices, and operator certification of water treatment plants and water distribution systems.

~~(4) Existing law, the Sustainable Groundwater Management Act, requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources that are designated as basins subject to critical conditions of overdraft to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2020, and requires all other groundwater basins designated as high- or medium-priority basins to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2022, except as specified. The act authorizes the state board to designate a basin as a probationary basin if the state board makes a certain determination and to develop an interim plan for the probationary basin. The act requires a local agency or groundwater sustainability agency to have 90 or 180 days, as prescribed, to remedy the deficiency if the state board designates the basin as a probationary basin.~~

~~This bill would provide a local agency or groundwater sustainability agency 90 or 180 days, as prescribed, to remedy certain deficiencies that caused the state board to designate the basin as a probationary basin. This bill would authorize the state board to develop an interim plan for certain probationary basins one year after the designation of the basin as a probationary basin.~~

~~(5)~~

(4) Existing law, the Porter-Cologne Water Quality Control Act, establishes the State Water Pollution Control Revolving Fund program pursuant to which state and federal funds are continuously appropriated

from the State Water Pollution Control Revolving Fund to the state board for permissible purposes authorized by the federal Clean Water Act or a federal capitalization grant deposited into the fund, including loans and other financial assistance for the construction of publicly owned treatment works by a municipality, the implementation of a management program, the development and implementation of a conservation and management plan, and other related purposes in accordance with the federal Clean Water Act and the Porter-Cologne Water Quality Control Act.

This bill would instead require that moneys in the fund be used only for purposes allowed by the federal Clean Water Act or a federal grant, and would delete the specifications of the types of projects and programs eligible for this financial assistance. By allowing moneys in the fund to be used for purposes allowed by a federal grant, thereby expanding the purposes for which moneys in a continuously appropriated revolving fund may be expended, this bill would make an appropriation.

Existing law requires the loans to meet certain criteria, including full amortization not later than 20 years after project completion, unless otherwise authorized by a federal capitalization grant deposited into the fund. Existing law also authorizes loan forgiveness to the extent it is authorized by a federal capitalization grant deposited into the fund.

The bill would extend the loan amortization requirement to not later than 30 years after project completion unless otherwise authorized by a federal grant deposited in the fund and would authorize loan forgiveness to the extent it is authorized by a federal grant deposited into the fund without regard to whether it is a capitalization grant.

Existing law also authorizes moneys in the fund to be used for payment of the reasonable cost of administering the fund and conducting certain activities relating to the federal Clean Water Act. Existing law prohibits those costs from exceeding 4% of all federal contributions into the fund except, if permitted by federal and state law, interest payments into the fund and other moneys into the fund are authorized to be used to defray additional administrative and activity costs.

The bill would instead prohibit the costs used for administering the fund and conducting the federal Clean Water Act activities from exceeding 4% of all federal contributions in the fund, \$400,000 per year, or  $\frac{1}{5}$  of 1% per year of the current valuation of the fund, whichever is greater, plus the amount of fees collected by the state for these purposes, regardless of source.

(6)

(5) This bill would make various nonsubstantive changes, including repealing obsolete provisions and updating cross-references.

(7)

(6) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 6103.4 of the Government Code is  
2 amended to read:

3 6103.4. Section 6103 does not apply to any fee or charge for  
4 official services required by any of the following:

5 (a) The Environmental Laboratory Accreditation Act (Article  
6 3 (commencing with Section 100825) of Chapter 4 of Part 1 of  
7 Division 101 of the Health and Safety Code).

8 (b) Article 3 (commencing with Section 106875) of Chapter 4  
9 of Part 1 of Division 104 of the Health and Safety Code.

10 (c) The California Safe Drinking Water Act (Chapter 4  
11 (commencing with Section 116270) of Part 12 of Division 104 of  
12 the Health and Safety Code).

13 (d) The Safe Drinking Water State Revolving Fund Law of 1997  
14 (Chapter 4.5 (commencing with Section 116760) of Part 12 of  
15 Division 104 of the Health and Safety Code).

16 (e) Article 2 (commencing with Section 116800) and Article 3  
17 (commencing with Section 116825) of Chapter 5 of Part 12 of  
18 Division 104 of the Health and Safety Code.

19 (f) Part 5 (commencing with Section 4999) of Division 2 of the  
20 Water Code.

21 (g) Division 7 (commencing with Section 13000) of the Water  
22 Code.

23 SEC. 2. Section 53082.5 of the Government Code is amended  
24 to read:

25 53082.5. Subject to all applicable constitutional restrictions, a  
26 county, a city, or a special district that provides, or intends to  
27 provide, *water or* wastewater treatment facilities or services may

1 borrow money and incur indebtedness pursuant to Chapter 4.5  
2 (commencing with Section 116760) of Part 12 of Division 104 of  
3 the Health and Safety Code or Chapter 6.5 (commencing with  
4 Section 13475) of Division 7 of the Water Code.

5 SEC. 3. Section 116270 of the Health and Safety Code is  
6 amended to read:

7 116270. The Legislature finds and declares all of the following:

8 (a) Every resident of California has the right to pure and safe  
9 drinking water.

10 (b) Feasible and affordable technologies are available and shall  
11 be used to remove toxic contaminants from public water supplies.

12 (c) According to the State Department of Health Services, over  
13 95 percent of all large public water systems in California are in  
14 compliance with health-based action levels established by the  
15 department for various contaminants.

16 (d) It is the policy of the state to reduce to the lowest level  
17 feasible all concentrations of toxic chemicals that, when present  
18 in drinking water, may cause cancer, birth defects, and other  
19 chronic diseases.

20 (e) This chapter is intended to ensure that the water delivered  
21 by public water systems of this state shall at all times be pure,  
22 wholesome, and potable. This chapter provides the means to  
23 accomplish this objective.

24 (f) It is the intent of the Legislature to improve laws governing  
25 drinking water quality, to improve upon the minimum requirements  
26 of the federal Safe Drinking Water Act Amendments of 1996, to  
27 establish primary drinking water standards that are at least as  
28 stringent as those established under the federal Safe Drinking  
29 Water Act, and to establish a program under this chapter that is  
30 more protective of public health than the minimum federal  
31 requirements.

32 (g) It is the further intent of the Legislature to establish a  
33 drinking water regulatory program within the state board to provide  
34 for the orderly and efficient delivery of safe drinking water within  
35 the state and to give the establishment of drinking water standards  
36 and public health goals greater emphasis and visibility within the  
37 state.

38 (h) This act shall be construed to ensure consistency with the  
39 requirements for states to obtain and maintain primary enforcement  
40 responsibility for public water systems under the federal Safe



1 Drinking Water Act and acts amendatory thereof or supplementary  
2 thereto.

3 SEC. 4. Section 116275 of the Health and Safety Code is  
4 amended to read:

5 116275. As used in this chapter:

6 (a) "Contaminant" means any physical, chemical, biological,  
7 or radiological substance or matter in water.

8 (b) "Department" means the state board.

9 (c) "Primary drinking water standards" means:

10 (1) Maximum levels of contaminants that, in the judgment of  
11 the state board, may have an adverse effect on the health of persons.

12 (2) Specific treatment techniques adopted by the state board in  
13 lieu of maximum contaminant levels pursuant to subdivision (j)  
14 of Section 116365.

15 (3) The monitoring and reporting requirements as specified in  
16 regulations adopted by the state board that pertain to maximum  
17 contaminant levels.

18 (d) "Secondary drinking water standards" means standards that  
19 specify maximum contaminant levels that, in the judgment of the  
20 state board, are necessary to protect the public welfare. Secondary  
21 drinking water standards may apply to any contaminant in drinking  
22 water that may adversely affect the odor or appearance of the water  
23 and may cause a substantial number of persons served by the public  
24 water system to discontinue its use, or that may otherwise adversely  
25 affect the public welfare. Regulations establishing secondary  
26 drinking water standards may vary according to geographic and  
27 other circumstances and may apply to any contaminant in drinking  
28 water that adversely affects the taste, odor, or appearance of the  
29 water when the standards are necessary to ensure a supply of pure,  
30 wholesome, and potable water.

31 (e) "Human consumption" means the use of water for drinking,  
32 bathing or showering, hand washing, oral hygiene, or cooking,  
33 including, but not limited to, preparing food and washing dishes.

34 (f) "Maximum contaminant level" means the maximum  
35 permissible level of a contaminant in water.

36 (g) "Person" means an individual, corporation, company,  
37 association, partnership, limited liability company, municipality,  
38 public utility, or other public body or institution.

39 (h) "Public water system" means a system for the provision of  
40 water for human consumption through pipes or other constructed

1 conveyances that has 15 or more service connections or regularly  
2 serves at least 25 individuals daily at least 60 days out of the year.

3 A public water system includes the following:

4 (1) Any collection, treatment, storage, and distribution facilities  
5 under control of the operator of the system that are used primarily  
6 in connection with the system.

7 (2) Any collection or pretreatment storage facilities not under  
8 the control of the operator that are used primarily in connection  
9 with the system.

10 (3) Any water system that treats water on behalf of one or more  
11 public water systems for the purpose of rendering it safe for human  
12 consumption.

13 (i) "Community water system" means a public water system  
14 that serves at least 15 service connections used by yearlong  
15 residents or regularly serves at least 25 yearlong residents of the  
16 area served by the system.

17 (j) "Noncommunity water system" means a public water system  
18 that is not a community water system.

19 (k) "Nontransient noncommunity water system" means a public  
20 water system that is not a community water system and that  
21 regularly serves at least 25 of the same persons over six months  
22 per year.

23 (l) "Local health officer" means a local health officer appointed  
24 pursuant to Section 101000 or a local comprehensive health agency  
25 designated by the board of supervisors pursuant to Section 101275  
26 to carry out the drinking water program.

27 (m) "Significant rise in the bacterial count of water" means a  
28 rise in the bacterial count of water that the state board determines,  
29 by regulation, represents an immediate danger to the health of  
30 water users.

31 (n) "State small water system" means a system for the provision  
32 of piped water to the public for human consumption that serves at  
33 least five, but not more than 14, service connections and does not  
34 regularly serve drinking water to more than an average of 25  
35 individuals daily for more than 60 days out of the year.

36 (o) "Transient noncommunity water system" means a  
37 noncommunity water system that does not regularly serve at least  
38 25 of the same persons over six months per year.

1 (p) “User” means a person using water for domestic purposes.  
2 User does not include a person processing, selling, or serving water  
3 or operating a public water system.

4 (q) “Waterworks standards” means regulations adopted by the  
5 state board entitled “California Waterworks Standards” (Chapter  
6 16 (commencing with Section 64551) of Division 4 of Title 22 of  
7 the California Code of Regulations).

8 (r) “Local primacy agency” means a local health officer that  
9 has applied for and received primacy delegation pursuant to Section  
10 116330.

11 (s) “Service connection” means the point of connection between  
12 the customer’s piping or constructed conveyance, and the water  
13 system’s meter, service pipe, or constructed conveyance. A  
14 connection to a system that delivers water by a constructed  
15 conveyance other than a pipe shall not be considered a connection  
16 in determining if the system is a public water system if any of the  
17 following apply:

18 (1) The water is used exclusively for purposes other than  
19 residential uses, consisting of drinking, bathing, and cooking, or  
20 other similar uses.

21 (2) The state board determines that alternative water to achieve  
22 the equivalent level of public health protection provided by the  
23 applicable primary drinking water regulation is provided for  
24 residential or similar uses for drinking and cooking.

25 (3) The state board determines that the water provided for  
26 residential or similar uses for drinking, cooking, and bathing is  
27 centrally treated or treated at the point of entry by the provider, a  
28 passthrough entity, or the user to achieve the equivalent level of  
29 protection provided by the applicable primary drinking water  
30 regulations.

31 (t) “Resident” means a person who physically occupies, whether  
32 by ownership, rental, lease, or other means, the same dwelling for  
33 at least 60 days of the year.

34 (u) “Water treatment operator” means a person who has met  
35 the requirements for a specific water treatment operator grade  
36 pursuant to Section 106875.

37 (v) “Water treatment operator-in-training” means a person who  
38 has applied for and passed the written examination given by the  
39 state board but does not yet meet the experience requirements for

1 a specific water treatment operator grade pursuant to Section  
2 106875.

3 (w) “Water distribution operator” means a person who has met  
4 the requirements for a specific water distribution operator grade  
5 pursuant to Section 106875.

6 (x) “Water treatment plant” means a group or assemblage of  
7 structures, equipment, and processes that treats, blends, or  
8 conditions the water supply of a public water system for the  
9 purpose of meeting primary drinking water standards.

10 (y) “Water distribution system” means any combination of pipes,  
11 tanks, pumps, and other physical features that deliver water from  
12 the source or water treatment plant to the consumer.

13 (z) “Public health goal” means a goal established by the Office  
14 of Environmental Health Hazard Assessment pursuant to  
15 subdivision (c) of Section 116365.

16 (aa) “Small community water system” means a community  
17 water system that serves no more than 3,300 service connections  
18 or a yearlong population of no more than 10,000 persons.

19 (ab) “Disadvantaged community” means the entire service area  
20 of a community water system, or a community therein, in which  
21 the median household income is less than 80 percent of the  
22 statewide average.

23 (ac) “State board” means the State Water Resources Control  
24 Board.

25 (ad) “Deputy director” means the deputy director appointed by  
26 the state board pursuant to subdivision (k) of Section 116271.

27 SEC. 5. Section 116293 of the Health and Safety Code is  
28 repealed.

29 SEC. 6. Section 116365.03 is added to the Health and Safety  
30 Code, to read:

31 116365.03. (a) Notwithstanding any other law, and except as  
32 provided in subdivision (b), the state board may adopt, as an  
33 emergency regulation in accordance with Chapter 3.5 (commencing  
34 with Section 11340) of Part 1 of Division 3 of Title 2 of the  
35 Government Code, any regulation that is necessary to ensure  
36 consistency with the requirements for state primacy enforcement  
37 responsibility under the federal Safe Drinking Water Act (42 U.S.C.  
38 Sec. 300f et seq.). The adoption of the regulation is an emergency  
39 and shall be considered by the Office of Administrative Law as

1 necessary for the immediate preservation of the public peace,  
2 health, safety, and general welfare.

3 (b) Notwithstanding Section 116377, an emergency regulation  
4 adopted by the state board pursuant to this section is not subject  
5 to review by the Office of Administrative Law and shall remain  
6 in effect until revised by the state board.

7 SEC. 7. Section 116365.5 of the Health and Safety Code is  
8 repealed.

9 SEC. 8. Section 116379 of the Health and Safety Code is  
10 repealed.

11 SEC. 9. Section 116380 of the Health and Safety Code is  
12 amended to read:

13 116380. (a) In addition to the requirements set forth in Section  
14 116375, the regulations adopted by the state board pursuant to  
15 Section 116375 may include requirements governing the use of  
16 point-of-entry and point-of-use treatment by public water systems  
17 with less than 200 service connections in lieu of centralized  
18 treatment where it can be demonstrated that centralized treatment  
19 is not immediately economically feasible.

20 (b) The regulations shall comply with Section 116552 and the  
21 requirements set forth in subdivision (a), but shall not be subject  
22 to the rulemaking provisions of the Administrative Procedure Act  
23 (Chapter 3.5 (commencing with Section 11340) of Part 1 of  
24 Division 3 of Title 2 of the Government Code). The regulations  
25 shall take effect when filed with the Secretary of State, and shall  
26 be published in the California Code of Regulations.

27 SEC. 10. Section 116551 of the Health and Safety Code is  
28 amended to read:

29 116551. ~~The department~~ *state board* shall not issue a permit  
30 to a public water system or amend a valid existing permit for the  
31 use of a reservoir as a source of supply that is directly augmented  
32 with recycled water, as defined in subdivision (n) of Section 13050  
33 of the Water Code, unless ~~the department~~ *state board* does all of  
34 the following:

35 (a) Performs an engineering evaluation that evaluates the  
36 proposed treatment technology and finds that the proposed  
37 technology will ensure that the recycled water meets all applicable  
38 primary and secondary drinking water standards and poses no  
39 significant threat to public health.

(b) Holds at least three duly noticed public hearings in the area where the recycled water is proposed to be used or supplied for human consumption to receive public testimony on that proposed use. ~~The department~~ *state board* shall make available to the public, not less than 10 days prior to the date of the first hearing held pursuant to this subdivision, the evaluations and findings made pursuant to subdivision (a).

SEC. 11. Section 116552 of the Health and Safety Code is amended to read:

116552. The state board shall not issue a permit to a public water system or amend a valid existing permit to allow the use of point-of-use or point-of-entry treatment unless the state board determines, after conducting a public hearing in the community served by the public water system, that there is no substantial community opposition to the installation of the treatment devices.

SEC. 12. Section 116655 of the Health and Safety Code is amended to read:

116655. (a) Whenever the state board determines that any person has violated or is violating this chapter, or any order, permit, regulation, or standard issued or adopted pursuant to this chapter, the state board may issue an order doing any of the following:

- (1) Directing compliance forthwith.
- (2) Directing compliance in accordance with a time schedule set by the state board.
- (3) Directing that appropriate preventive action be taken in the case of a threatened violation.

(b) An order issued pursuant to this section may include, but shall not be limited to, any or all of the following requirements:

- (1) That the existing plant, works, or system be repaired, altered, or added to.
- (2) That purification or treatment works be installed.
- (3) That the source of the water supply be changed.
- (4) That no additional service connection be made to the system.
- (5) That the water supply, the plant, or the system be monitored.
- (6) That a report on the condition and operation of the plant, works, system, or water supply be submitted to the state board.

SEC. 13. Section 116701 is added to the Health and Safety Code, to read:

116701. (a) Within 30 days of issuance of an order or decision issued by the deputy director under Article 8 (commencing with

Section 116625) or Article 9 (commencing with Section 116650),  
an aggrieved person, as an alternative to Section 116700, person  
may petition the state board for reconsideration. *Where the order  
or decision of the deputy director is issued after a hearing under  
Chapter 5 (commencing with Section 11500) of Part 1 of Division  
3 of Title 2 of the Government Code, this section shall apply instead  
of Section 11521 of the Government Code.*

(b) The petition shall include the name and address of the  
petitioner, a copy of the order or decision for which the petitioner  
seeks reconsideration, identification of the reason the petitioner  
alleges the issuance of the order was inappropriate or improper,  
the specific action the petitioner requests, and other information  
as the state board may prescribe. The petition shall be accompanied  
by a statement of points and authorities of the legal issues raised  
by the petition.

(c) The evidence before the state board shall consist of the record  
before the deputy director and any other relevant evidence that, in  
the judgment of the state board, should be considered to implement  
the policies of this chapter. The state board may, in its discretion,  
hold a hearing for receipt of additional evidence.

(d) The state board may refuse to reconsider the order or  
decision if the petition fails to raise substantial issues that are  
appropriate for review, may deny the petition upon a determination  
that the issuance of the order or decision was appropriate and  
proper, may set aside or modify the order or decision, or take other  
appropriate action. The state board's action pursuant to this  
subdivision shall constitute the state board's completion of its  
reconsideration.

(e) The state board, upon notice and hearing, if a hearing is held,  
may stay in whole or in part the effect of the order or decision of  
the deputy director.

*(f) If an order of the deputy director is subject to reconsideration  
under this section, the filing of a petition for reconsideration is an  
administrative remedy that must be exhausted before filing a  
petition for writ of mandate under Section 116625 or 116700.*

SEC. 14. Section 116735 of the Health and Safety Code is  
amended to read:

116735. (a) (1) In order to carry out the purposes of this  
chapter, any duly authorized representative of the state board may,  
at any reasonable hour of the day, do any of the following:

1 (A) Enter and inspect any public water system or any place  
2 where the public water system records are stored, kept, or  
3 maintained.

4 (B) Inspect and copy any records, reports, test results, or other  
5 information required to carry out this chapter.

6 (C) Set up and maintain monitoring equipment for purposes of  
7 assessing compliance with this chapter.

8 (D) Obtain samples of the water supply.

9 (E) Photograph any portion of the system, any activity, or any  
10 sample taken.

11 (2) An owner of a public water system shall provide to the state  
12 board reports, test results, and other information required to carry  
13 out this chapter within five business days of a request for the  
14 records from a duly authorized representative of the state board.

15 (b) The state board shall inspect each public water system as  
16 follows:

17 (1) A system with any surface water source with treatment shall  
18 be inspected annually.

19 (2) A system with any groundwater source subject to treatment  
20 with only groundwater sources shall be inspected biennially.

21 (3) A system with only groundwater sources not subject to  
22 treatment shall be inspected every three years.

23 (c) Nothing in this section shall prohibit the state board from  
24 inspecting public water systems on a more frequent basis. An  
25 opportunity shall be provided for a representative of the public  
26 water system to accompany the representative of the state board  
27 during the inspection of the water system.

28 (d) It shall be a misdemeanor for any person to prevent, interfere  
29 with, or attempt to impede in any way any duly authorized  
30 representative of the state board from undertaking the activities  
31 authorized by paragraph (1) of subdivision (a). A person who  
32 violates paragraph (2) of subdivision (a) shall be subject to the  
33 provisions of Section 116730, as applicable.

34 SEC. 15. Section 116751 of the Health and Safety Code is  
35 amended to read:

36 116751. The Department of Fish and Wildlife shall not  
37 introduce a poison to a drinking water supply for purposes of  
38 fisheries management unless the state board determines that the  
39 activity will not have a permanent adverse impact on the quality  
40 of the drinking water supply or wells connected to the drinking



1 water supply. In making this determination, the state board shall  
2 evaluate the short- and long-term health effects of the poison in  
3 drinking water, ensure that an alternative supply of drinking water  
4 is provided to the users of the drinking water supply while the  
5 activity takes place, and, in cooperation with the Department of  
6 Fish and Wildlife, develop and implement a monitoring program  
7 to ensure that no detectable residuals of the poison, breakdown  
8 products, and other components of the poison formulation remain  
9 in the drinking water supply or adjoining wells after the activity  
10 is completed.

11 SEC. 16. Section 116760.20 of the Health and Safety Code is  
12 amended to read:

13 116760.20. Unless the context otherwise requires, the following  
14 definitions govern the construction of this chapter:

15 (a) “Acceptable result” means the project that, when constructed,  
16 solves the problem for which the project was placed on the project  
17 priority list, ensures the owner and operator of the improved or  
18 restructured public water system shall have long term technical,  
19 managerial, and financial capacity to operate and maintain the  
20 public water system in compliance with state and federal safe  
21 drinking water standards, can provide a dependable source of safe  
22 drinking water long term, and is both short-term and long-term  
23 affordable, as determined by the board.

24 (b) “Administrative fund” means the Safe Drinking Water State  
25 Revolving Fund Administration Fund created by Section  
26 116761.70.

27 (c) “Board” means the State Water Resources Control Board.

28 (d) “Cost-effective” means achieves an acceptable result at the  
29 most reasonable cost.

30 (e) “Disadvantaged community” means a community that meets  
31 the definition provided in Section 116275.

32 (f) “Federal Safe Drinking Water Act” or “federal act” means  
33 the federal Safe Drinking Water Act (42 U.S.C. Sec. 300f et seq.)  
34 and acts amendatory thereof or supplemental thereto.

35 (g) “Fund” means the Safe Drinking Water State Revolving  
36 Fund created by Section 116760.30.

37 (h) “Financing” means financial assistance awarded under this  
38 chapter, including loans, refinancing, installment sales agreements,  
39 purchase of debt, loan guarantees for municipal revolving funds,  
40 and grants.

1 (i) “Matching funds” means state money that equals that  
2 percentage of federal contributions required by the federal act to  
3 be matched with state funds.

4 (j) “Project” means cost-effective facilities for the construction,  
5 improvement, or rehabilitation of a public water system. It also  
6 may include the planning and design of the facilities, annexation  
7 or consolidation of water systems, source water assessments, source  
8 water protection, and other activities specified under the federal  
9 act.

10 (k) “Public agency” means any city, county, city and county,  
11 whether general law or chartered, district, joint powers authority,  
12 or other political subdivision of the state, that owns or operates a  
13 public water system, or any municipality, as that term is defined  
14 in the federal act.

15 (l) “Public water system” or “public water supply system” means  
16 a system for the provision to the public of water for human  
17 consumption, as defined in Section 116275.

18 (m) “Safe drinking water standards” means those standards  
19 established pursuant to Chapter 4 (commencing with Section  
20 116270), as they may now or hereafter be amended.

21 (n) “Severely disadvantaged community” means a community  
22 with a median household income of less than 60 percent of the  
23 statewide average.

24 (o) “Small community water system” has the meaning set forth  
25 in Section 116275.

26 (p) “Supplier” means any person, partnership, corporation,  
27 association, public agency, or other entity that owns or operates a  
28 public water system.

29 SEC. 17. Section 116760.38 is added to the Health and Safety  
30 Code, to read:

31 116760.38. Subject to all applicable constitutional restrictions,  
32 a city, county, or special district may borrow money and incur  
33 indebtedness pursuant to this chapter.

34 SEC. 18. Section 116761.65 of the Health and Safety Code is  
35 amended to read:

36 116761.65. (a) The board shall establish, and may periodically  
37 adjust, the interest rate for repayable financing made pursuant to  
38 this chapter at a rate not to exceed 50 percent of the average interest  
39 rate, computed by the true interest cost method, paid by the state

1 on general obligation bonds issued in the prior calendar year,  
2 rounded up to the closest one-tenth of 1 percent.

3 (b) Notwithstanding subdivision (a), if the financing is for a  
4 public water system that serves a disadvantaged community with  
5 a financial hardship as determined by the board or if the financing  
6 is for a public water system that provides matching funds, the  
7 interest rate shall be 0 percent.

8 SEC. 19. Section 116761.70 of the Health and Safety Code is  
9 repealed.

10 SEC. 20. Section 116761.70 is added to the Health and Safety  
11 Code, to read:

12 116761.70. (a) The Safe Drinking Water State Revolving Fund  
13 Administration Fund is hereby created in the State Treasury.

14 (b) The following moneys shall be deposited into the  
15 administration fund:

16 (1) Moneys transferred to pay the costs incurred by the state  
17 board in connection with the administration of this chapter.

18 (2) The amounts collected for financial assistance services  
19 pursuant to subdivision (c).

20 (3) Notwithstanding Section 16475 of the Government Code,  
21 any interest earned upon the moneys in the fund.

22 (c) (1) For financial assistance made pursuant to this chapter,  
23 where that financial assistance is to be repaid to the state board,  
24 the state board may assess an annual charge for financial assistance  
25 services with regard to the financial assistance, not to exceed one  
26 percent of the financial assistance balance, computed according  
27 to the true interest cost method.

28 (2) The financial assistance service rate authorized by this  
29 subdivision may be applied at any time during the term of the  
30 financial assistance, and once applied, shall remain unchanged for  
31 the duration of the financial assistance and shall not increase the  
32 financial assistance repayment amount, as set forth in the terms  
33 and conditions imposed pursuant to this chapter.

34 (d) Upon appropriation by the Legislature, moneys in the  
35 administration fund may be expended by the state board for  
36 payment of the reasonable costs of administering the fund.

37 (e) The state board shall set the total amount of revenue collected  
38 each year through the charge authorized by subdivision (c) at an  
39 amount that is equal as practicable to the appropriation amount set  
40 forth in the annual Budget Act for this activity. At least once each

1 fiscal year, the state board shall adjust the financial assistance  
2 service charge imposed pursuant to subdivision (c) to conform  
3 with the appropriation amount set forth in the annual Budget Act.

4 SEC. 21. Section 117125 of the Health and Safety Code is  
5 amended to read:

6 117125. Notwithstanding any other law, the Department of  
7 Fish and Wildlife may stock with fish any body of water opened  
8 to public fishing pursuant to this article.

9 ~~SEC. 22. Section 10735.4 of the Water Code is amended to~~  
10 ~~read:~~

11 ~~10735.4. (a) If the board designates a basin as a probationary~~  
12 ~~basin pursuant to paragraph (1), (2), or (4) of subdivision (a) of~~  
13 ~~Section 10735.2, a local agency or groundwater sustainability~~  
14 ~~agency shall have 180 days to remedy the deficiency. The board~~  
15 ~~may appoint a mediator or other facilitator, after consultation with~~  
16 ~~affected local agencies, to assist in resolving disputes, and~~  
17 ~~identifying and implementing actions that will remedy the~~  
18 ~~deficiency.~~

19 ~~(b) After the 180-day period provided by subdivision (a), the~~  
20 ~~board may provide additional time to remedy the deficiency if it~~  
21 ~~finds that a local agency is making substantial progress toward~~  
22 ~~remediating the deficiency.~~

23 ~~(c) The board may develop an interim plan pursuant to Section~~  
24 ~~10735.8 for the probationary basin at the end of the period provided~~  
25 ~~by subdivision (a) or any extension provided pursuant to~~  
26 ~~subdivision (b), if the board, in consultation with the department,~~  
27 ~~determines that a local agency has not remedied the deficiency~~  
28 ~~that resulted in designating the basin as a probationary basin.~~

29 ~~SEC. 23. Section 10735.6 of the Water Code is amended to~~  
30 ~~read:~~

31 ~~10735.6. (a) If the board designates a basin as a probationary~~  
32 ~~basin pursuant to paragraph (3) or (5) of subdivision (a) of Section~~  
33 ~~10735.2, the board shall identify the specific deficiencies and~~  
34 ~~identify potential actions to address the deficiencies. The board~~  
35 ~~may request the department to provide local agencies, within 90~~  
36 ~~days of the designation of a probationary basin, with technical~~  
37 ~~recommendations to remedy the deficiencies.~~

38 ~~(b) The board may develop an interim plan pursuant to Section~~  
39 ~~10735.8 for the probationary basin one year after the designation~~  
40 ~~of the basin pursuant to paragraph (3) or (5) of subdivision (a) of~~

1 ~~Section 10735.2, if the board, in consultation with the department,~~  
2 ~~determines that a local agency has not remedied the deficiency~~  
3 ~~that resulted in designating the basin a probationary basin.~~

4 ~~SEC. 24.~~

5 *SEC. 22.* Section 13176 of the Water Code is amended to read:

6 13176. (a) (1) The analysis of any material required by this  
7 division shall be performed by a laboratory that has accreditation  
8 or certification pursuant to Article 3 (commencing with Section  
9 100825) of Chapter 4 of Part 1 of Division 101 of the Health and  
10 Safety Code.

11 (2) This requirement does not apply to field tests, such as tests  
12 for color, odor, turbidity, pH, temperature, dissolved oxygen,  
13 conductivity, and disinfectant residual.

14 (b) A person or public entity of the state shall not contract with  
15 a laboratory for environmental analyses required by paragraph (1)  
16 of subdivision (a) unless the laboratory has valid accreditation or  
17 certification.

18 ~~SEC. 25.~~

19 *SEC. 23.* Section 13177 of the Water Code is amended to read:

20 13177. (a) It is the intent of the Legislature that the state board  
21 continue to implement the California State Mussel Watch Program.

22 (b) The Legislature finds and declares that the California State  
23 Mussel Watch Program provides the following benefits to the  
24 people of the state:

25 (1) An effective method for monitoring the long-term effects  
26 of certain toxic substances in selected fresh, estuarine, and marine  
27 waters.

28 (2) An important element in the state board's comprehensive  
29 water quality monitoring strategy.

30 (3) Identification, on an annual basis, of specific areas where  
31 concentrations of toxic substances are higher than normal.

32 (4) Valuable information to guide the state and regional boards  
33 and other public and private agencies in efforts to protect water  
34 quality.

35 (c) To the extent funding is appropriated for this purpose, the  
36 state board, in conjunction with the Department of Fish and  
37 Wildlife, shall continue to implement the long-term coastal  
38 monitoring program known as the California State Mussel Watch  
39 Program. The program may consist of, but is not limited to, the  
40 following elements:

(1) Removal of mussels, clams, and other aquatic organisms from relatively clean coastal sites and placing them in sampling sites. For purposes of this section, “sampling sites” means selected waters of concern to the state board and the Department of Fish and Wildlife.

(2) After specified exposure periods at the sampling sites, removal of the aquatic organisms for analysis.

(3) Laboratory analysis of the removed aquatic organisms to determine the amounts of various toxic substances that may have accumulated in the bodies of the aquatic organisms.

(4) Making available both the short- and long-term results of the laboratory analysis to appropriate public and private agencies and the public.

~~SEC. 26.~~

*SEC. 24.* Section 13177.5 of the Water Code is amended to read:

13177.5. (a) The state board, in consultation with the Office of Environmental Health Hazard Assessment, shall develop a comprehensive coastal monitoring and assessment program for sport fish and shellfish, to be known as the Coastal Fish Contamination Program. The program shall identify and monitor chemical contamination in coastal fish and shellfish and assess the health risks of consumption of sport fish and shellfish caught by consumers.

(b) The state board shall consult with the Department of Fish and Wildlife, the Office of Environmental Health Hazard Assessment, and regional water quality control boards with jurisdiction over territory along the coast, to determine chemicals, sampling locations, and the species to be collected under the program. The program developed by the state board shall include all of the following:

(1) Screening studies to identify coastal fishing areas where fish species have the potential for accumulating chemicals that pose significant health risks to human consumers of sport fish and shellfish.

(2) The assessment of at least 60 screening study monitoring sites and 120 samples in the first five years of the program and an assessment of additional screening study sites as time and resources permit.

1 (3) Comprehensive monitoring and assessment of fishing areas  
2 determined through screening studies to have a potential for  
3 significant human health risk and a reassessment of these areas  
4 every five years.

5 (c) Based on existing fish contamination data, the state board  
6 shall designate a minimum of 40 sites as fixed sampling locations  
7 for the ongoing monitoring effort.

8 (d) The state board shall contract with the Office of  
9 Environmental Health Hazard Assessment to prepare  
10 comprehensive health risk assessments for sport fish and shellfish  
11 monitored in the program. The assessments shall be based on the  
12 data collected by the program and information on fish consumption  
13 and food preparation. The Office of Environmental Health Hazard  
14 Assessment, within 18 months of the completion of a  
15 comprehensive study for each area by the state board, shall submit  
16 to the board a draft health risk assessment report for that area.  
17 Those health risk assessments shall be updated following the  
18 reassessment of areas by the board.

19 (e) The Office of Environmental Health Hazard Assessment  
20 shall issue health advisories when the office determines that  
21 consuming certain fish or shellfish presents a significant health  
22 risk. The advisories shall contain information for the public, and  
23 particularly the population at risk, concerning health risks from  
24 the consumption of the fish or shellfish. The office shall notify the  
25 appropriate county health officers, the State Department of Public  
26 Health, and the Department of Fish and Wildlife before the  
27 issuance of a health advisory. The notification shall provide  
28 sufficient information for the purpose of posting signage. The  
29 office shall urge county health officers to conspicuously post health  
30 warnings in areas where contaminated fish or shellfish may be  
31 caught including piers, commercial passenger fishing vessels, and  
32 shore areas where fishing occurs. The Department of Fish and  
33 Wildlife shall publish the office's health warnings in its Sport  
34 Fishing Regulations Booklet.

35 ~~SEC. 27.~~

36 *SEC. 25.* Section 13177.6 of the Water Code is amended to  
37 read:

38 13177.6. To the extent funding is appropriated for this purpose,  
39 the state board, in consultation with the Department of Fish and  
40 Wildlife and Office of Environmental Health Hazard Assessment,

1 shall perform a monitoring study to reassess the geographic  
2 boundaries of the commercial fish closure off the Palos Verdes  
3 Shelf. The reassessment shall include collection and analysis of  
4 white croaker caught on the Palos Verdes Shelf, within three miles  
5 south of the Shelf, and within San Pedro Bay. Based on the results  
6 of the reassessment, the Department of Fish and Wildlife, with  
7 guidance from the Office of the Environmental Health Hazard  
8 Assessment, shall redelineate, if necessary, the commercial fish  
9 closure area to protect the health of consumers of commercially  
10 caught white croaker. The sample collection and analysis shall be  
11 conducted within 18 months of the enactment of this section and  
12 the reassessment of the health risk shall be conducted within 18  
13 months of the completion of the analysis of the samples.

14 ~~SEC. 28.~~

15 *SEC. 26.* Section 13178 of the Water Code is amended to read:

16 13178. (a) The state board, in conjunction with the State  
17 Department of Public Health and a panel of experts established by  
18 the state board, shall develop source investigation protocols for  
19 use in conducting source investigations of storm drains that produce  
20 exceedences of bacteriological standards established pursuant to  
21 subdivision (c) of Section 115880 of the Health and Safety Code.  
22 The protocols shall be based upon the experiences drawn from  
23 previous source investigations performed by the state board,  
24 regional boards, or other agencies, and other available data. The  
25 protocols shall include methods for identifying the location and  
26 biological origins of sources of bacteriological contamination, and,  
27 at a minimum, shall require source investigations if bacteriological  
28 standards are exceeded in any three weeks of a four-week period,  
29 or, for areas where testing is done more than once a week, 75  
30 percent of testing days that produce an exceedence of those  
31 standards.

32 (b) The development of source investigation protocols pursuant  
33 to subdivision (a) is not subject to Chapter 3.5 (commencing with  
34 Section 11340) of Part 1 of Division 3 of Title 2 of the Government  
35 Code.

36 ~~SEC. 29.~~

37 *SEC. 27.* Section 13181 of the Water Code is amended to read:

38 13181. (a) (1) On or before December 1, 2007, the California  
39 Environmental Protection Agency and the Natural Resources  
40 Agency shall enter into a memorandum of understanding for the



1 purposes of establishing the California Water Quality Monitoring  
2 Council, which shall be administered by the state board.

3 (2) As used in this section, “monitoring council” means the  
4 California Water Quality Monitoring Council established pursuant  
5 to this section.

6 (3) The monitoring council may include representatives from  
7 state entities and nonstate entities. The representatives from  
8 nonstate entities may include, but need not be limited to,  
9 representatives from federal and local government, institutions of  
10 higher education, the regulated community, citizen monitoring  
11 groups, and other interested parties.

12 (4) The monitoring council shall review existing water quality  
13 monitoring, assessment, and reporting efforts, and shall recommend  
14 specific actions and funding needs necessary to coordinate and  
15 enhance those efforts.

16 (5) (A) The recommendations shall be prepared for the ultimate  
17 development of a cost-effective, coordinated, integrated, and  
18 comprehensive statewide network for collecting and disseminating  
19 water quality information and ongoing assessments of the health  
20 of the state’s waters and the effectiveness of programs to protect  
21 and improve the quality of those waters.

22 (B) For purposes of developing recommendations pursuant to  
23 this section, the monitoring council shall initially focus on the  
24 water quality monitoring efforts of state agencies, including, but  
25 not limited to, the state board, the regional boards, the department,  
26 the Department of Fish and Wildlife, the California Coastal  
27 Commission, the State Lands Commission, the Department of  
28 Parks and Recreation, the Department of Forestry and Fire  
29 Protection, and the Department of Pesticide Regulation.

30 (C) In developing the recommendations, the monitoring council  
31 shall seek to build upon existing programs rather than create new  
32 programs.

33 (6) Among other things, the memorandum of understanding  
34 shall describe the means by which the monitoring council shall  
35 formulate recommendations to accomplish both of the following:

36 (A) Reduce redundancies, inefficiencies, and inadequacies in  
37 existing water quality monitoring and data management programs  
38 in order to improve the effective delivery of sound, comprehensive  
39 water quality information to the public and decisionmakers.

1 (B) Ensure that water quality improvement projects financed  
2 by the state provide specific information necessary to track project  
3 effectiveness with regard to achieving clean water and healthy  
4 ecosystems.

5 (b) The monitoring council shall report, on or before December  
6 1, 2008, to the California Environmental Protection Agency and  
7 the Natural Resources Agency with regard to its recommendations  
8 for maximizing the efficiency and effectiveness of existing water  
9 quality data collection and dissemination, and for ensuring that  
10 collected data are maintained and available for use by  
11 decisionmakers and the public. The monitoring council shall  
12 consult with the United States Environmental Protection Agency  
13 in preparing these recommendations. The monitoring council's  
14 recommendations, and any responses submitted by the California  
15 Environmental Protection Agency or the Natural Resources Agency  
16 to those recommendations, shall be made available to  
17 decisionmakers and the public by means of the Internet.

18 (c) The monitoring council shall undertake and complete, on or  
19 before April 1, 2008, a survey of its members to develop an  
20 inventory of their existing water quality monitoring and data  
21 collection efforts statewide and shall make that information  
22 available to the public.

23 (d) All state agencies, including institutions of higher education  
24 to the extent permitted by law, that collect water quality data or  
25 information shall cooperate with the California Environmental  
26 Protection Agency and the Natural Resources Agency in achieving  
27 the goals of the monitoring council as described in this section.

28 (e) In accordance with the requirements of the Clean Water Act  
29 (33 U.S.C. Sec. 1251 et seq.) and implementing guidance, the state  
30 board shall develop, in coordination with the monitoring council,  
31 all of the following:

32 (1) A comprehensive monitoring program strategy that utilizes  
33 and expands upon the state's existing statewide, regional, and other  
34 monitoring capabilities and describes how the state will develop  
35 an integrated monitoring program that will serve all of the state's  
36 water quality monitoring needs and address all of the state's waters  
37 over time. The strategy shall include a timeline not to exceed 10  
38 years to complete implementation. The strategy shall be  
39 comprehensive in scope and identify specific technical, integration,  
40 and resource needs, and shall recommend solutions for those needs

1 so that the strategy may be implemented within the 10-year  
2 timeframe.

3 (2) Agreement, including agreement on a schedule, with regard  
4 to the comprehensive monitoring of statewide water quality  
5 protection indicators that provide a basic minimum understanding  
6 of the health of the state's waters. Indicators already developed  
7 pursuant to environmental protection indicators for statewide  
8 initiatives shall be given high priority as core indicators for  
9 purposes of the network described in subdivision (a).

10 (3) Quality management plans and quality assurance plans that  
11 ensure the validity and utility of the data collected.

12 (4) Methodology for compiling, analyzing, and integrating  
13 readily available information, to the maximum extent feasible,  
14 including, but not limited to, data acquired from discharge reports,  
15 volunteer monitoring groups, local, state, and federal agencies,  
16 and recipients of state-funded or federally funded water quality  
17 improvement or restoration projects.

18 (5) An accessible and user-friendly electronic data system with  
19 timely data entry and ready public access via the Internet. To the  
20 maximum extent possible, the geographic location of the areas  
21 monitored shall be included in the data system.

22 (6) Production of timely and complete water quality reports and  
23 lists that are required under Sections 303(d), 305(b), 314, and 319  
24 of the Clean Water Act and Section 406 of the Beaches  
25 Environmental Assessment and Coastal Health Act of 2000, that  
26 include all available information from discharge reports, volunteer  
27 monitoring groups, and local, state, and federal agencies.

28 (7) An update of the state board's surface water ambient  
29 monitoring program needs assessment in light of the benefits of  
30 increased coordination and integration of information from other  
31 agencies and information sources. This update shall include  
32 identification of current and future resource needs required to fully  
33 implement the coordinated, comprehensive monitoring network,  
34 including, but not limited to, funding, staff, training, laboratory  
35 and other resources, and projected improvements in the network.

36 (f) The state board shall identify the full costs of implementation  
37 of the comprehensive monitoring program strategy developed  
38 pursuant to subdivision (e), and shall identify proposed sources of  
39 funding for the implementation of the strategy, including federal  
40 funds that may be expended for this purpose. Fees collected

1 pursuant to paragraph (1) of subdivision (d) of Section 13260 may  
2 be used as a funding source for implementation of the strategy to  
3 the extent that the funding is consistent with subparagraph (B) of  
4 paragraph (1) of subdivision (d) of Section 13260.

5 (g) Data, summary information, and reports prepared pursuant  
6 to this section shall be made available to appropriate public  
7 agencies and the public by means of the Internet.

8 (h) (1) Commencing December 1, 2008, the Secretary of the  
9 California Environmental Protection Agency shall conduct a  
10 triennial audit of the effectiveness of the monitoring program  
11 strategy developed pursuant to subdivision (e). The audit shall  
12 include, but need not be limited to, an assessment of the following  
13 matters:

14 (A) The extent to which the strategy has been implemented.

15 (B) The effectiveness of the monitoring and assessment program  
16 and the monitoring council with regard to both of the following:

17 (i) Tracking improvements in water quality.

18 (ii) Evaluating the overall effectiveness of programs  
19 administered by the state board or a regional board and of state  
20 and federally funded water quality improvement projects.

21 (2) The Secretary of the California Environmental Protection  
22 Agency shall consult with the Secretary of the Natural Resources  
23 Agency in preparing the audit, consistent with the memorandum  
24 of understanding entered into pursuant to subdivision (a).

25 (i) The state board shall prioritize the use of federal funding  
26 that may be applied to monitoring, including, but not limited to,  
27 funding under Section 106 of the Federal Water Pollution Control  
28 Act, for the purpose of implementing this section.

29 (j) The state board shall not use more than 5 percent of the funds  
30 made available to implement this section for the administrative  
31 costs of any contracts entered into for the purpose of implementing  
32 this section.

33 ~~SEC. 30.~~

34 *SEC. 28.* Section 13275 of the Water Code is amended to read:

35 13275. (a) Notwithstanding any other law, a public water  
36 system regulated by the state board pursuant to Chapter 4  
37 (commencing with Section 116270) of Part 12 of Division 104 of  
38 the Health and Safety Code shall have the same legal rights and  
39 remedies against a responsible party, when the water supply used

1 by that public water system is contaminated, as those of a private  
2 land owner whose groundwater has been contaminated.

3 (b) For purposes of this section, “responsible party” has the  
4 same meaning as defined in Section 25323.5 of the Health and  
5 Safety Code.

6 ~~SEC. 31.~~

7 *SEC. 29.* Section 13285 of the Water Code is amended to read:

8 13285. (a) A discharge from a storage tank, pipeline, or other  
9 container of methyl tertiary-butyl ether (MTBE), or of any pollutant  
10 that contains MTBE, that poses a threat to drinking water, or to  
11 groundwater or surface water that may reasonably be used for  
12 drinking water, or to coastal waters shall be cleaned up to a level  
13 consistent with subdivisions (a) and (b) of Section 25296.10 of  
14 the Health and Safety Code.

15 (b) (1) A public water system, or its customers, shall not be  
16 responsible for remediation or treatment costs associated with  
17 MTBE, or a product that contains MTBE. However, the public  
18 water system may, as necessary, incur MTBE remediation and  
19 treatment costs and include those costs in its customer rates and  
20 charges that are necessary to comply with drinking water standards  
21 or directives of the state board or other lawful authority. A public  
22 water system that incurs MTBE remediation or treatment costs  
23 may seek recovery of those costs from parties responsible for the  
24 MTBE contamination, or from other available alternative sources  
25 of funds.

26 (2) If the public water system has included the costs of MTBE  
27 treatment and remediation in its customer rates and charges, and  
28 subsequently recovers all, or a portion of, its MTBE treatment and  
29 remediation costs from responsible parties or other available  
30 alternative sources of funds, it shall make an adjustment to its  
31 schedule of rates and charges to reflect the amount of funding  
32 received from responsible parties or other available alternative  
33 sources of funds for MTBE treatment or remediation.

34 (3) Paragraph (1) does not prevent the imposition of liability  
35 on any person for the discharge of MTBE if that liability is due to  
36 the conduct or status of that person independently of whether the  
37 person happens to be a customer of the public water system.

38 ~~SEC. 32.~~

39 *SEC. 30.* Section 13304.1 of the Water Code is amended to  
40 read:

1 13304.1. (a) A groundwater cleanup system that commences  
2 operation on or after January 1, 2002, and that is required to obtain  
3 a discharge permit from the regional board pursuant to the regional  
4 board's jurisdiction, and that discharges treated groundwater to  
5 surface water or groundwater, shall treat the groundwater to  
6 standards approved by the regional board, consistent with this  
7 division and taking into account the beneficial uses of the receiving  
8 water and the location of the discharge and the method by which  
9 the discharge takes place.

10 (b) In making its determination of the applicable water quality  
11 standards to be achieved by the operator of a groundwater cleanup  
12 system that commences operation on or after January 1, 2002, that  
13 draws groundwater from an aquifer that is currently being used,  
14 or has been used at any time since 1979 as a source of drinking  
15 water supply by the owner or operator of a public water system,  
16 and that discharges treated groundwater to surface water or  
17 groundwater from which a public water system draws drinking  
18 water, the regional board shall consult with the affected  
19 groundwater management entity, if any, affected public water  
20 systems, and the state board to ensure that the discharge, spreading,  
21 or injection of the treated groundwater will not adversely affect  
22 the beneficial uses of any groundwater basin or surface water body  
23 that is or may be used by a public water system for the provision  
24 of drinking water.

25 ~~SEC. 33.~~

26 *SEC. 31.* Section 13331.2 of the Water Code is repealed.

27 ~~SEC. 34.~~

28 *SEC. 32.* Section 13392 of the Water Code is amended to read:

29 13392. The state board and the regional boards, in consultation  
30 with the State Department of Public Health and the Department  
31 of Fish and Wildlife, shall develop and maintain a comprehensive  
32 program to (1) identify and characterize toxic hot spots, as defined  
33 in Section 13391.5, (2) plan for the cleanup or other appropriate  
34 remedial or mitigating actions at the sites, and (3) amend water  
35 quality control plans and policies to incorporate strategies to  
36 prevent the creation of new toxic hot spots and the further pollution  
37 of existing hot spots. As part of this program, the state board and  
38 regional boards shall, to the extent feasible, identify specific  
39 discharges or waste management practices that contribute to the  
40 creation of toxic hot spots, and shall develop appropriate prevention

1 strategies, including, but not limited to, adoption of more stringent  
2 waste discharge requirements, onshore remedial actions, adoption  
3 of regulations to control source pollutants, and development of  
4 new programs to reduce urban and agricultural runoff.

5 ~~SEC. 35.~~

6 *SEC. 33.* Section 13392.5 of the Water Code is amended to  
7 read:

8 13392.5. (a) Each regional board that has regulatory authority  
9 for one or more enclosed bays or estuaries shall, on or before  
10 January 30, 1994, develop for each enclosed bay or estuary, a  
11 consolidated data base that identifies and describes all known and  
12 potential toxic hot spots. Each regional board shall, in consultation  
13 with the state board, also develop an ongoing monitoring and  
14 surveillance program that includes, but is not limited to, the  
15 following components:

16 (1) Establishment of a monitoring and surveillance task force  
17 that includes representation from agencies, including, but not  
18 limited to, the State Department of Public Health and the  
19 Department of Fish and Wildlife, that routinely monitor water  
20 quality, sediment, and aquatic life.

21 (2) Suggested guidelines to promote standardized analytical  
22 methodologies and consistency in data reporting.

23 (3) Identification of additional monitoring and analyses that are  
24 needed to develop a complete toxic hot spot assessment for each  
25 enclosed bay and estuary.

26 (b) Each regional board shall make available to state and local  
27 agencies and the public all information contained in the  
28 consolidated data base, as well as the results of new monitoring  
29 and surveillance data.

30 ~~SEC. 36.~~

31 *SEC. 34.* Section 13393.5 of the Water Code is amended to  
32 read:

33 13393.5. On or before January 30, 1994, the state board, in  
34 consultation with the State Department of Public Health and the  
35 Department of Fish and Wildlife, shall adopt general criteria for  
36 the assessment and priority ranking of toxic hot spots. The criteria  
37 shall take into account the pertinent factors relating to public health  
38 and environmental quality, including, but not limited to, potential  
39 hazards to public health, toxic hazards to fish, shellfish, and  
40 wildlife, and the extent to which the deferral of a remedial action

1 will result, or is likely to result, in a significant increase in  
2 environmental damage, health risks, or cleanup costs.

3 ~~SEC. 37.~~

4 *SEC. 35.* Section 13400 of the Water Code is amended to read:  
5 13400. As used in this chapter, unless otherwise apparent from  
6 the context:

7 (a) “Facilities” means any of the following:

8 (1) Facilities for the collection, treatment, or export of waste  
9 when necessary to prevent water pollution.

10 (2) Facilities to recycle wastewater and to convey recycled  
11 water.

12 (3) Facilities or devices to conserve water.

13 (4) Any combination of the facilities described in paragraph  
14 (1), (2), or (3).

15 (b) “Fund” means the State Water Quality Control Fund.

16 (c) “Not-for-profit organization” means an organization operated  
17 on a not-for-profit basis, including, but not limited to, an  
18 association, cooperative, or private corporation that is a public  
19 water system, as defined in Section 116275 of the Health and  
20 Safety Code, that meets technical, managerial, and financial  
21 capacity criteria specified by the state board for public water  
22 systems, or that is subject to regulatory authority pursuant to this  
23 division. “Not-for-profit organization” includes only an organization  
24 that is either controlled by a local public body or bodies or has a  
25 broadly based ownership by, or membership of, people of the local  
26 community.

27 (d) “Public agency” means any city, county, city and county,  
28 district, or other political subdivision of the state.

29 ~~SEC. 38.~~

30 *SEC. 36.* Section 13426 of the Water Code is amended to read:  
31 13426. The state board, subject to approval by the Director of  
32 Finance, may agree to provide a guarantee pursuant to this article  
33 for all or a specified part of the proposed local agency bond issue  
34 upon making all of the following determinations:

35 (a) The facilities proposed by an applicant are necessary to the  
36 health or welfare of the inhabitants of the state and are consistent  
37 with water quality control plans adopted by regional boards.

38 (b) The proposed facilities meet the needs of the applicant.

39 (c) The proposed bond issue and plan repayment are sound and  
40 feasible.



(d) In the case of facilities proposed under paragraph (2) of subdivision (a) of Section 13400, the facilities will produce recycled water and the applicant has adopted a feasible program for the use of the facilities. The state board may adopt criteria for ranking and setting priorities among applicants for those guarantees.

~~SEC. 39.~~

SEC. 37. Section 13476 of the Water Code is amended to read: 13476. Unless the context otherwise requires, the following definitions govern the construction of this chapter:

(a) "Administration fund" means the State Water Pollution Control Revolving Fund Administration Fund.

(b) "Board" means the State Water Resources Control Board.

(c) "Federal Clean Water Act" or "federal act" means the Clean Water Act (33 U.S.C. Sec. 1251 et seq.) and acts amendatory thereof or supplemental thereto.

(d) (1) "Financial assistance" means assistance authorized under Section 13480. Financial assistance includes loans, refinancing, installment sales agreements, purchase of debt, and loan guarantees for municipal revolving funds, but excludes grants.

(2) Notwithstanding paragraph (1), financial assistance may include grants or other assistance directed by a federal grant deposited in the fund to the extent authorized and funded by that grant.

(e) "Fund" means the State Water Pollution Control Revolving Fund.

(f) "Grant fund" means the State Water Pollution Control Revolving Fund Small Community Grant Fund.

(g) "Matching funds" means money that equals that percentage of federal contributions required by the federal act to be matched with state funds.

(h) "Municipality" has the same meaning and construction as in the federal act and also includes all state, interstate, and intermunicipal agencies.

(i) "Publicly owned" means owned by a municipality.

(j) "Severely disadvantaged community" means a community with a median household income of less than 60 percent of the statewide median household income.

SEC. 38. Section 13477.6 of the Water Code is amended to read:

1 13477.6. (a) The State Water Pollution Control Revolving  
2 Fund Small Community Grant Fund is hereby created in the State  
3 Treasury.

4 (b) The following moneys shall be deposited in the grant fund:

5 (1) Moneys transferred to the grant fund pursuant to subdivision  
6 (c).

7 (2) Notwithstanding Section 16475 of the Government Code,  
8 any interest earned upon the moneys deposited in the grant fund.

9 (c) (1) For any financing made pursuant to Section 13480, the  
10 board may assess an annual charge to be deposited in the grant  
11 fund in lieu of interest that would otherwise be charged.

12 (2) The charge authorized by this subdivision may be applied  
13 at any time during the term of the financing, and once applied,  
14 shall remain unchanged unless the board determines that the  
15 application of the charge is any of the following:

16 (A) No longer consistent with federal requirements regarding  
17 the fund.

18 (B) No longer necessary.

19 (C) Negatively affecting the board's ability to fund projects that  
20 supports its water quality goals.

21 (3) The charge shall not increase the financing repayment  
22 amount as set forth in the terms and conditions imposed pursuant  
23 to this chapter.

24 (4) If the board ceases collecting the charge before the financing  
25 repayment is complete, the board shall replace the charge with an  
26 identical interest rate.

27 (d) (1) Moneys in the grant fund, upon appropriation by the  
28 Legislature to the board, may be expended, in accordance with  
29 this chapter, for grants for projects described in ~~subdivision (a) of~~  
30 ~~Section 13480 and subdivision (a) of Section 35.3115 of Title 40~~  
31 ~~of the Code of Federal Regulations~~ that serve small communities  
32 as defined in subdivision (a) of Section 30925 of the Public  
33 Resources Code. The board shall expend moneys appropriated  
34 from the grant fund within a period of four years from the date of  
35 encumbrance.

36 (2) For the purpose of approving grants, the board shall give  
37 priority to projects that serve severely disadvantaged communities.

38 ~~SEC. 40.~~

39 *SEC. 39.* Section 13480 of the Water Code is amended to read:

1 13480. (a) Moneys in the fund shall be used only for the  
2 permissible purposes allowed by the federal act or a federal grant  
3 deposited in the fund to the extent authorized and funded by that  
4 grant.

5 (b) Consistent with expenditure for authorized purposes, moneys  
6 in the fund may be used for the following purposes:

7 (1) Loans that meet all of the following requirements:

8 (A) Are made at or below market interest rates.

9 (B) Require annual payments of principal and any interest, with  
10 repayment commencing not later than one year after completion  
11 of the project for which the loan is made and full amortization not  
12 later than 30 years after project completion unless otherwise  
13 authorized by a federal grant deposited in the fund to the extent  
14 authorized and funded by that grant. Loan forgiveness is  
15 permissible to the extent authorized by a federal grant deposited  
16 in the fund to the extent authorized and funded by that grant.

17 (C) Require the loan recipient to establish an acceptable  
18 dedicated source of revenue for repayment of a loan.

19 (D) (i) Contain other terms and conditions required by the board  
20 or the federal act or applicable rules, regulations, guidelines, and  
21 policies. To the extent permitted by federal law, the combined  
22 interest and loan service rate shall be set at a rate that does not  
23 exceed 50 percent of the interest rate paid by the state on the most  
24 recent sale of state general obligation bonds and the combined  
25 interest and loan service rate shall be computed according to the  
26 true interest cost method. If the combined interest and loan service  
27 rate so determined is not a multiple of one-tenth of 1 percent, the  
28 combined interest and loan service rate shall be set at the multiple  
29 of one-tenth of 1 percent next above the combined interest and  
30 loan service rate so determined. A loan from the fund used to  
31 finance costs of facilities planning, or the preparation of plans,  
32 specifications, or estimates for construction of publicly owned  
33 treatment works shall comply with Section 603(e) of the federal  
34 act (33 U.S.C. Sec. 1383(e)).

35 (ii) Notwithstanding clause (i), if the loan applicant is a  
36 municipality, an applicant for a loan for the implementation of a  
37 management program pursuant to Section 319 of the federal Clean  
38 Water Act (33 U.S.C. Sec. 1329), or an applicant for a loan for  
39 nonpoint source or estuary enhancement pursuant to Section 320  
40 of the federal Clean Water Act (33 U.S.C. Sec. 1330), and the

1 applicant provides matching funds, the combined interest and loan  
2 service rate on the loan shall be 0 percent. A loan recipient that  
3 returns to the fund an amount of money equal to 20 percent of the  
4 remaining unpaid federal balance of an existing loan shall have  
5 the remaining unpaid loan balance refinanced at a combined interest  
6 and loan service rate of 0 percent over the time remaining in the  
7 original loan contract.

8 (2) To buy or refinance the debt obligations of municipalities  
9 within the state at or below market rates if those debt obligations  
10 were incurred after March 7, 1985.

11 (3) To guarantee, or purchase insurance for, local obligations  
12 where that action would improve credit market access or reduce  
13 interest rates.

14 (4) As a source of revenue or security for the payment of  
15 principal and interest on revenue or general obligation bonds issued  
16 by the state, if the proceeds of the sale of those bonds will be  
17 deposited in the fund.

18 (5) To establish loan guarantees for similar revolving funds  
19 established by municipalities.

20 (6) To earn interest.

21 (7) For payment of the reasonable costs of administering the  
22 fund and conducting activities under Title VI (commencing with  
23 Section 601) of the federal act (33 U.S.C. Sec. 1381 et seq.). Those  
24 costs shall not exceed 4 percent of all federal contributions to the  
25 fund, four hundred thousand dollars (\$400,000) per year, or  
26 one-fifth percent per year of the current valuation of the fund,  
27 whichever amount is greatest, plus the amount of any fees collected  
28 by the state for this purpose regardless of the source.

29 (8) For financial assistance toward the nonfederal share of the  
30 costs of grant-funded treatment works projects to the extent  
31 permitted by the federal act.

32 (9) Grants, principal forgiveness, negative interest rates, and  
33 any other type of, or variation on the above types of, assistance  
34 authorized by a federal grant deposited in the fund to the extent  
35 authorized and funded by that grant.

36 ~~SEC. 41.~~

37 *SEC. 40.* Section 79702 of the Water Code is amended to read:

38 79702. Unless the context otherwise requires, the definitions  
39 set forth in this section govern the construction of this division, as  
40 follows:

1 (a) “Acquisition” means obtaining a fee interest or any other  
2 interest in real property, including easements, leases, water, water  
3 rights, or interest in water obtained for the purposes of instream  
4 flows and development rights.

5 (b) “CALFED Bay-Delta Program” means the program  
6 described in the Record of Decision dated August 28, 2000.

7 (c) “Commission” means the California Water Commission.

8 (d) “Committee” means the Water Quality, Supply, and  
9 Infrastructure Improvement Finance Committee created by Section  
10 79787.

11 (e) “Delta” means the Sacramento-San Joaquin Delta, as defined  
12 in Section 85058.

13 (f) “Delta conveyance facilities” means facilities that convey  
14 water directly from the Sacramento River to the State Water Project  
15 or the federal Central Valley Project pumping facilities in the south  
16 Delta.

17 (g) “Delta counties” means the Counties of Contra Costa,  
18 Sacramento, San Joaquin, Solano, and Yolo.

19 (h) “Delta plan” has the meaning set forth in Section 85059.

20 (i) “Director” means the Director of Water Resources.

21 (j) “Disadvantaged community” has the meaning set forth in  
22 subdivision (a) of Section 79505.5, as it may be amended.

23 (k) “Economically distressed area” means a municipality with  
24 a population of 20,000 persons or less, a rural county, or a  
25 reasonably isolated and divisible segment of a larger municipality  
26 where the segment of the population is 20,000 persons or less,  
27 with an annual median household income that is less than 85  
28 percent of the statewide median household income, and with one  
29 or more of the following conditions as determined by the  
30 department:

31 (1) Financial hardship.

32 (2) Unemployment rate at least 2 percent higher than the  
33 statewide average.

34 (3) Low population density.

35 (l) “Fund” means the Water Quality, Supply, and Infrastructure  
36 Improvement Fund of 2014 created by Section 79715.

37 (m) “Instream flows” means a specific streamflow, measured  
38 in cubic feet per second, at a particular location for a defined time,  
39 and typically follows seasonal variations.

(n) “Integrated regional water management plan” has the meaning set forth in Part 2.2 (commencing with Section 10530) of Division 6, as that part may be amended.

(o) “Long-term” means for a period of not less than 20 years.

(p) “Nonprofit organization” means an organization qualified to do business in California and qualified under Section 501(c)(3) of Title 26 of the United States Code.

(q) “Proposition 1E” means the Disaster Preparedness and Flood Prevention Bond Act of 2006 (Chapter 1.699 (commencing with Section 5096.800) of Division 5 of the Public Resources Code).

(r) “Proposition 84” means the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Division 43 (commencing with Section 75001) of the Public Resources Code).

(s) “Public agency” means a state agency or department, special district, joint powers authority, city, county, city and county, or other political subdivision of the state.

(t) “Rainwater” has the meaning set forth in subdivision (c) of Section 10573.

(u) “Secretary” means the Secretary of the Natural Resources Agency.

(v) “Severely disadvantaged community” has the meaning set forth in Section 116760.20 of the Health and Safety Code.

(w) “Small community water system” means a community water system that serves no more than 3,300 service connections or a yearlong population of no more than 10,000 persons.

(x) “State board” means the State Water Resources Control Board.

(y) “State General Obligation Bond Law” means the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code).

(z) “State small water system” has the meaning set forth in subdivision (n) of Section 116275 of the Health and Safety Code.

(aa) “Stormwater” has the meaning set forth in subdivision (e) of Section 10573.

(ab) “Water right” means a legal entitlement authorizing water to be diverted from a specified source and put to a beneficial, nonwasteful use.

1     ~~SEC. 42.~~

2     *SEC. 41.* No reimbursement is required by this act pursuant to  
3 Section 6 of Article XIII B of the California Constitution because  
4 the only costs that may be incurred by a local agency or school  
5 district will be incurred because this act creates a new crime or  
6 infraction, eliminates a crime or infraction, or changes the penalty  
7 for a crime or infraction, within the meaning of Section 17556 of  
8 the Government Code, or changes the definition of a crime within  
9 the meaning of Section 6 of Article XIII B of the California  
10 Constitution.

O